

Mobilehome Park Preservation/Conversion Update

Overview: *In July/August 2015, staff from the City of San José Planning, Building and Code Enforcement and Housing Departments scheduled two focus groups for mobilehome park owners/managers, two focus groups for park residents, and three public meetings to discuss concerns and comments related to potential new policies and zoning code provisions intended to protect mobilehome parks (MHPs) in San José. A summary of the feedback from the four focus groups is scheduled to be presented to the City Council on August 11, 2015. Below is a summary of participants' comments from Focus Groups #3 and #4 with park residents.*

Notes have been edited for clarity but do NOT include fact checking or input from City staff.

Key themes from participating mobilehome park residents:

- Strengthen protections to prevent displacement of seniors, families, couples
 - Add or Preserve MHP Housing Options, especially in Urban Villages
 - A petition process already exists for owners to pass through capital improvement costs
 - Concerns about devaluation once closure is suggested
 - Specify compensation and valuation requirements "May" vs. "Shall"
 - Concern that if Winchester closes, there will be a "domino" effect
 - Park conditions are pretty good, respect for managers
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Focus Group #3: Mobilehome Park Residents

July 30, 2015

Willow Glen Community and Senior Center

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- I can't sell my home knowing the mobilehome park might be sold but I have a mortgage. What are you going to do? I used my savings, to be in a MH, I am worried about closing of park. The City is driving us out, we know that, I have a mortgage to pay for, I have seniors, families around me. It is so hard to secure housing. How about storage facilities and using their land first? Millennial urban village, bikes, are going to kick my kid out. I'm done being displaced, this is the last time I will be displaced. I feel I have no choice. Everyone knew that MHs were slated to be gone because of the General Plan. The City should have told people, realtors are not disclosing about urban villages. That is fraud. The last sucker will have to file for bankruptcy. That's wrong. You need to tell every realtor in the County not to sell in the parks, tell people not to buy, better off in a hotel then buying this home and going into bankruptcy. Who will buy my home? Owners are great, they are awesome, I would gladly give them more rent, and I understand their dilemma. I am open to incentives for park owners who continue to operate.
- 5 parks are included in Urban Village areas. I am concerned and MHPs should be removed from Urban Villages. When you get that UV designation you cannot get financing, only cash purchases, that makes the value of the home drop. Council can decide to remove homes from UV.
- We are pleased to be in the UV, gives us layers of protection compared to if we were outside. Not all UV plans have been written yet, still a couple of years to go. There are advantages [to being in the Urban Village] in the near term.
- Two thirds of my Social Security goes to rent and utilities but it [living in a mobilehome] is still more affordable than other options. [Mobilehomes are the] first and last refuge for many people. If Winchester Ranch falls it would be a domino effect for others. I would like to see the parks preserved.
- Thanks for the yellow meeting card! The importance of these public notices should have been worded more clearly so more people would come to the meetings. Not very informative, confusing.
- Dispersal of park residents, relocation issues, loss of market value for residents, displacement for seniors forced from their retirement community (medical issues), hard to find relocation, lack of legal specifics for cost of living, lack of expansion options time schedule, arbitration system, balanced legal process.
- Change of environment could cause death, this is a medical fact. They will die if they have to move.
- What is an adequate number of MHP? Who decides?
- Update the closure ordinance sooner, not never.
- Pulte Homes will ask for closure [of Winchester] by end of 2015. We seniors will be displaced if they have their way. If it does, we'll need the update closure ordinance by then. Otherwise the current inadequate ordinance will be used.

- I see that most of the members in this room today are seniors. Why tear down affordable communities? Sewage rate changes, rates were wrong, we are not metered, another \$32 a month we have to pay. UV is nonsense, why tear down affordable housing? The park I live in is awesome, I don't care what park owners think, I care about me and you, our property will be worth nothing if they think the park will be closed. There's enough land for housing... Communication Hill ...maybe the County should build more MH communities. Everything is about profit. I want to die where I live, I don't want to be displaced at 70 because a future ghetto is the solution. We need to be respectful about this. Meetings at times when seniors cannot attend, people have difficulty getting to the meetings. Stop picking on this already developed land for development. This impacts 35,000 people, everyone needs to get up and speak. Get up and get involved. There's plenty of other places to be rezoned and redeveloped. Information is not clear, let's get involved. Once the word gets out, the value of your home will go down.
- The City attorney is hesitant to open up the conversion ordinance; I'd like to see a conversion impact report similar to the one in Sunnyvale which addresses every concern mentioned today...how much paid, how it will affect you, impact on Seniors if forced to move, etc. Such a report would be vital to make sure all of these issues have been addressed.
- I don't think it is more or less important what park is being considered. Not numbers, people. There's nothing complicated about this, the simple fact is...if a park is closed families, couples, individuals are displaced. If slated or hinted at closure your value goes down. I planned this to be my senior residence; I used my savings to buy my home. When a park is singled out your home loses value. There are long waiting lists, displacement from this area, loss of access to doctors and medical care. My savings for senior years would be nonexistent; I would have nowhere to go. My husband sums it up as "elder abuse." Not just elders. Homeless does not just mean hitch hikers living off the land, it also means those displaced from homes. Nothing below 500K, only young working people can afford. You will end up with a very homogenous society.
- "Act like your kids live here, don't speed" signs. Owners: Act like your great grandfather lives in these parks. Warren Buffet said a 3% automatic return has got to be enough.
- If I was on Council, I would enact legislation that would cause land owners to pay fair value of MH they will displace. Also pay fair value to relocate into a suitable location they can afford. If that happened, the conversion process would probably die. If it costs too much to convert, they won't want to convert.
- Don't fall in the trap of trusting your politicians. What does the city get from property tax on mobilehomes? Join GSMOL if you are not a member, write to your mayor, supervisors. We are not trailer parks, we live in a house, in a community. Let's improve how the perception is, that will help.
- August 11 when City listens to this report, we need to have numbers there that's everything. Round up as many people as you can, form car pools, get organized.
- I grew up in SJ last 65 years, native of SJ, I've seen the Valley grow. Enough traffic, pollution, too much growth. Join GMSOL they go to Sacramento and fight for us. MHP in SJ, we can control the council, Dave Hennessy took care of us. MHP control three quarters of votes in Council. Help us or we will vote them out. SJ is going down the tubes because everyone wants money, we've gotta go back, plenty of work. Takes forever to go anywhere.

- MHP residents have a lot of support, many people are interested in preserving the parks, best to approach every contact with Council and their staff as if they are our allies because most are. Doesn't do any good to go in antagonistic. The council is good, very favorable to us, we need to keep working.
- I don't think every park is in danger, some owners have what they want.
- Last year MHP was priority #7, this year it is priority #3 for council. People are paying attention to our issue. It is not all bleak, be as optimistic as possible.
- I would like to maintain the value of my home.
- This is our fight, time for us to stand up, each one of us. Let's start a Facebook group with a person from each park. Someone has to stand up and coordinate all 59 parks, we should be able to do that today with computers. The ordinance didn't happen because the mayor was a nice guy, it was residents pushing for it.
- Tell your HOA so everyone knows what's going on. Also know the rules and regulations of the California Mobilehome Residency Law (MRL). Talk to your neighbors, let them know what's going on.
- Go to the city website and read the MHP conversion ordinance carefully. Take the time to do it so you know what these meetings are trying to address. Get educated on the MRL, state law, MH conversion ordinance. Read it several times.
- Which parks are in UV?
 1. Winchester Ranch
 2. Imperial SJ mobile estates
 3. La Buona Vita
 4. Mobilehome Manor
 5. Willow Glen Mobile Estates
- Who created the GP, who drew the UV boundaries?
- Change the UV plan and remove all 5 MH parks from UV boundaries. Take out a layer of incentive for park owners.
- The council can help prevent displacement by keeping the rent control ordinance in place.
- Expiring leases, there will be some turnover. Mountain Springs in ~20 years. Keep in mind that these changes will come whether we ask for them or not. When it reverts back to original owners, they will have to maintain as a park. City council should keep that in mind. [Staff: Doesn't matter who owns it, there are still same regulations in place]
- Rent control ordinance: 3% has been compounded over the years, that's a lot of money.
- There already is a way for park owners to recoup capital improvement costs, owners can file a petition and it happens through a hearing. We get to look at the books, we get to review it. I suggest we maintain this provision that allows for special increase but those books have to be opened and they can be challenged.
- There can be some headway with owners, there is a respect factor. They are the reason I have a place to be. I'm grateful for having an affordable way to stay. The focus group notes gave me some insight relating their challenges as well. I want to be more informed on their needs, maybe then we'll have a better chance to keep our homes.
- We love where we live, my park is safe. I didn't like that presentation with a motor home with tires, does not represent where I live. I urge owners to champion their thoughts about why we should keep what we have. 5 parks are on some potential path. This is where we

want to live, stand up for your rights, this is a very complicated issue. Let's bring it back to being human, who we are, who we believe in. Seniors in this room built this county, stand up, take hold, attend meetings, get up, say something. Mercury news should go ask questions, write about what we're all going through.

- A reporter from the Mercury News is writing about Winchester. Last night we had a 30 second interview about the meeting with the owners. Media is available, you need to be persistent, have stamina.

Focus Group #4: Mobilehome Park Residents

August 6, 2015

George Mayne Elementary School (Alviso)

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- **Question 1: Rate the physical condition of your Mobilehome Park:**
 - Winchester is well maintained by residents with upkeep of their mobilehomes, no management, nobody enforcing the rules. Strange people wandering in the park. Starting to see withdrawal of services. Security concerns. Otherwise it looks nice, but at night it doesn't seem as safe. Residents maintain their own homes sense of ownership.
 - Imperial, a 10, kept up, clean, I can't complain.
 - Mill Pond: great, very nice.
 - C. La Salle: Clean, good security, but some services have declined (homework club, pool monitor) decreased overhead for workers, degraded quality of life. Physically well kept.
 - Oakcrest Estates: reasonable good conditions, water and gas and electric systems are very weak. Six months without an onsite manager. No regulations to require onsite manager. Unreliable utilities.
 - My park is maintained pretty well, but we've had some water main breaks.
 - Colonial Mobile Manor: At rent control hearings I was asked on the stand by the park's representative about what capital improvements I wanted. I want to know what effect these improvements would have on a rent increase. Capital improvements get passed on, sometimes your answer can be used against you, can result in higher rents. They did the same thing at Oakcrest.
 - Willow Glen: Seniors want to downsize and might buy a mobilehome and invest in improvements on their homes. Owner should take care of the park, should not pass it on to the residents who pay so much already in rent.
 - In my park streets were redone, my sister's park repaves every 4 years. No compensation by the city in my park, but everywhere else in SJ the City compensates for landlords who take section 8. Cut the MHP owners a little slack. Owners are stuck in a position; they are not complete bad guys. It is not owner vs. resident thing.
 - Actually the City does not administer the Section 8 program, it is a Federal program.
- **Question 2: What is a satisfactory relocation, rental assistance, etc program if your park did close?**
 - What determines in place value? How is fair market value calculated?
 - When do you look at in place value? Data before conversion request or after?
 - New homes \$250K, space rent \$1500. Is that going to be equivalent to low income? Where could I live for that same price when 1 BR is going for \$2800? I have 3 adults living in my home.

- The minute a park is up for sale the value of homes drops. Get comparables around the whole city, not just your park. With the cost having gone up 30-40% over last few years, compensation must be balanced with actual price to buy another mobile home in the same area. Displaced out of the City or even the state. Need somewhere close to market rate value.
- No appraiser would use a comparable in a park after a closure has been announced or even rumored. Some appraisers make it a business to low ball appraisals to please their clients who are the owners. Residents must be part of the opportunity for an independent look at the value of home. Have to discount recent sales in that park, look broader. Schools, transit, shopping, hospitals, parks, etc all need to be taken into account. Need a second look, can't always trust owners appraiser.
- Who picks the appraiser for the sale of each individual home. That is critical.
- Selection of appraiser and comps should be spelled out. City could clarify this in provisions. Should be opportunity for resident to have their own appraisal done.
- City could do an appraisal as a third party.
- Allowing people to buy they know full well they won't get their money back. The will give me in place value, well below my mortgage. I'll have to file bankruptcy. Monetary value is important, but all of these people will have to leave California, because the vacancy rates are so low here and \$140K isn't enough to relocate. It is not just getting people off the street, you are putting people in tents under the freeway. You are displacing people that can't afford to go anywhere else.
- Assessed value of homes should be related to the replacement of an equivalent home in an equivalent park and area.
- **General Discussion:**
 - Winchester has not yet filed, nothing has happened yet. My understanding is right now everything at Winchester is fine. Scare tactics.
 - If the land owners do not want to be landlords, they should have to offer the park for sale to us, the residents, before they offer to a developer. First right of refusal. Winchester entered into a contract with Pulte before we had a chance. We're the ones with a vested interest in the homes. Some park residents pay property tax others pay vehicle taxes.
 - There has to be more time for residents to get together and purchase the park.
 - I'm interested in the weakness of the rent control that enables the owners to ask for rent increases. Each time they do that, our home values go down. I hope you are also looking at rent control changes that would make it harder for rents to go up. We are far exceeding the 3%.
 - I don't get a 3% increase in my salary, but owners can increase my rent by 3% every year. That's tough but a mobilehome is the only way you can afford anything in this valley right now.
 - Is there a city plan for Winchester?
 - A lot of the "mays" need to be changed to "shall" in the current conversion ordinance, so it is more clear.
 - These notes are critical; all we need is 6 votes. Council members are being confused by the park owners. I want to rebut two things

- MHPS can become slums: If you live in a submetered park your owners have been getting PGE funds for decades. Owners have this money from PGE, they should spend it.
 - One council member was concerned about raising rents higher to deal with capital improvements. That is a fallacy. Owners can go to a hearing and request additional increase to pass improvement through to residents. They are required to open their books. Please explain to council there is money for infrastructure and owners can go to a hearing and request it.
 - I support opening up and strengthening the conversion ordinance. It is ridiculous to worry about the risks of opening the ordinance. Let's support the Law Foundation.
- It is not true they are losing money, they don't want regulations, they want to be able to charge what they want. In Sunnyvale, no rent control, they increase rent 10% a year because they can. Profit, profit, profit. Residents must make 3 times the rent to live in a park. Most of the people have lived in MHPs for many years. Just like any other home in Silicon Valley, seniors, cannot afford to move. So why are parks different from a residential home with seniors? It is affordable housing, but you can't be poor to get in now.
 - 1) Owners say the process has been rushed. This has been before the Council for 1.5 years, at priority setting, at rules, there has been opportunity after opportunity for owners, who are very well connected at City Hall, to weigh in. This argument is fallacious.
- 2) The income of residents is irrelevant. The issue is whether this housing is affordable, which it is. Affordability is relative, but when San Jose rents apartment average \$2300 and mobile home park space rents are \$700-1100 per month, it speaks for itself. MHPs are not income restricted so they have a wide range of incomes. This argument is a red herring, it is irrelevant if a "millionaire" lives in a MHP as the park owners claim.
- 3) When the owners argue this is an inefficient land use, are they comparing that to single family homes? Our city needs a wide variety of types of homes, all of which are valuable. Are the park owners intending to bulldoze all the single-family homes in SJ?
- 4) The slums argument: There is a well-established process [for capital pass through]. Oakcrest got an \$80 increase along with 3% increase this year. Owners' petitions for rent increases show their annual net operating income is between \$800K and \$1.5M, I don't think with that income an owner would be forced to let the park become a "slum." Owners have a legal duty to do upkeep, and they should be held accountable if they allow slum conditions.
- 5) This is not just about Winchester Ranch. There are people from about half a dozen mobile home parks here tonight. Many MHPs are under threat, in urban villages, near transit which has been identified as a priority for new development.
- 6) We need to work on the production of affordable housing, but that's not the only

answer. We can't build our way out of this crisis. Developers fought against impact fee and inclusionary, which are vital tools for developing new affordable housing. They are talking out of both sides of their mouth. Don't live in fear of these law suits, don't be cowards. Preservation of mobilehomes is important. It is a false choice to say we need to bulldoze MHPs to allow for new development. The City has fallen way behind in meeting our Housing Element goals, we can't afford to lose these mobile homes.

7) Mobilehomes are different from apartments. MHP residents have invested in their homes, much more at the mercy of owners who can make their homes worthless overnight. Apartment tenants' rights are very important, but it's easier for them to go to another apt.

- Waitlist for affordable housing is 7 years to get in. I called and asked!
- If they don't like what we say, we'll vote the council out.
- 30-year old mobilehomes fall apart when moved, they are not mobile.
- 90% of mobilehomes never get moved after they are placed.
- Google "independent senior housing," all you find is convalescent homes. Mobilehomes provide a good solution.
- If we displaced Willow Glen residents, we wouldn't have this conversation. We can't have that conversation because they own land. They are picking on us because they can. We have to go to council meetings, and tell everyone in our parks to show up.
- I think all MHPs should be zoned for MHP.
- I think parks are going to close, it is going to happen, and we need to get into the ordinances so we are protected better. That's more important that process. This is a big machine that's coming in. Not all owners want to tear down the park. What about my value? Let's not sidestep and whitewash it. All I learned here tonight was law 101, this is about the rest of our lives and where our kids will live. That's what it is about for me. Lots of rhetoric, this is about people not having homes, how are they being taken care of by the property owners. Tell city council members to go look at the parks, we are worried, I just don't want to soft soap this, it is going to happen. Let's work together to get the message across.
- How can I ethically sell my place if I'm on that list of parks that want to close? What about the park one mile away from yours? How can I do that? I'm stuck with that house until city council decides what to do.
- At what point does full disclosure apply to real estate agents?
- I have had city council members in my home, the point is you gotta start some place and we're not giving up. We're still meeting with City council, we're still getting results.